



## Group Overview

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President and CEO

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## GROUP OVERVIEW

- Performance since previous Investor Day
- Elisa strategy
- Updated financial targets





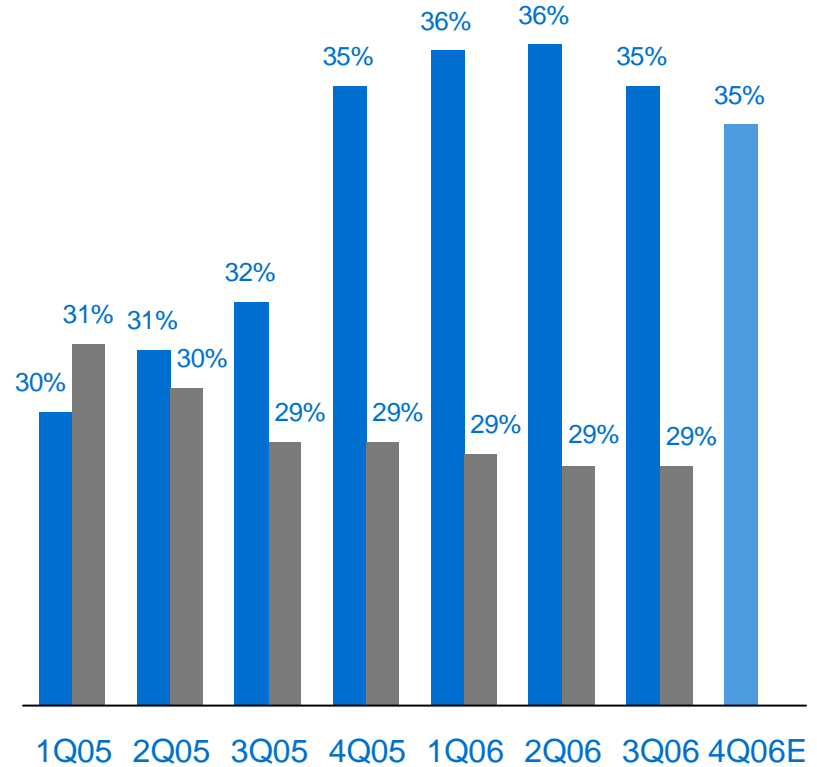
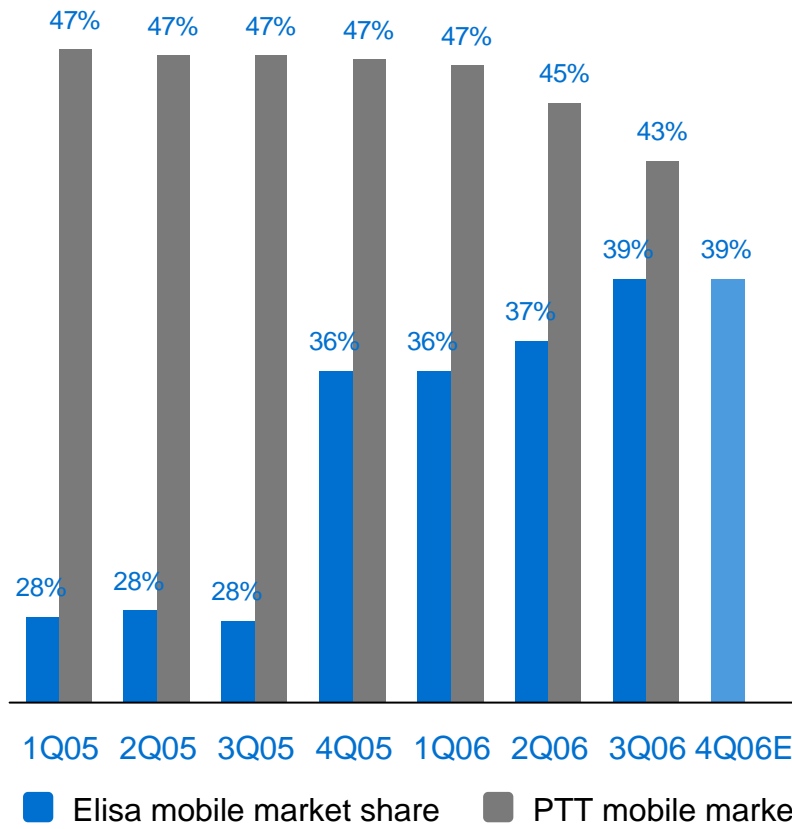
## Performance since previous Investor Day

# Market position strengthened...

## GROUP OVERVIEW – PERFORMANCE SINCE PREVIOUS INVESTOR DAY

Mobile market shares in Finland

Broadband market shares in Finland



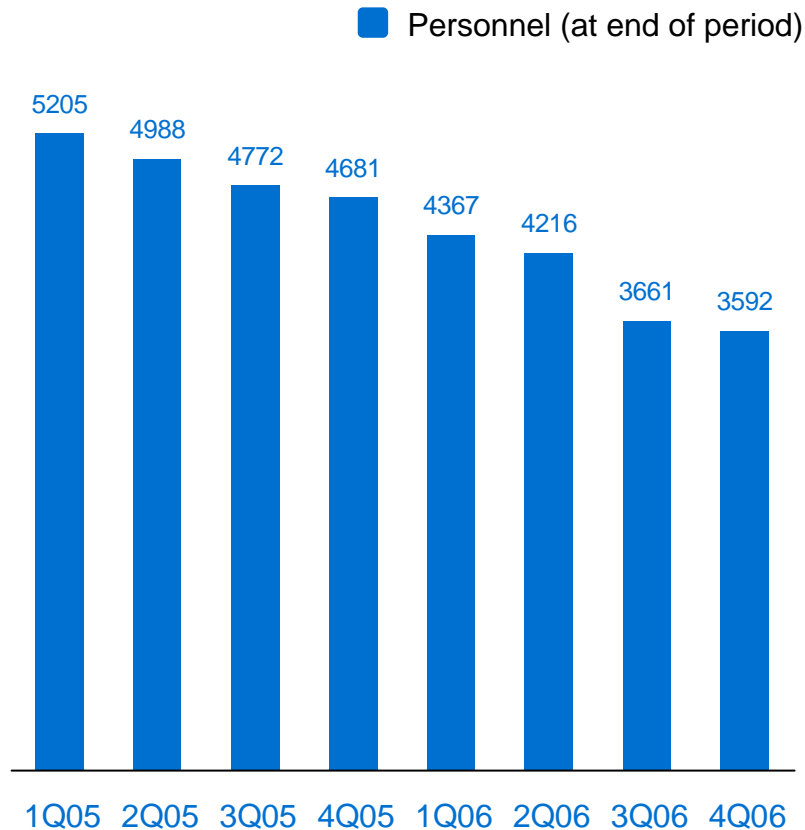
Source: Company reports, Elisa estimates



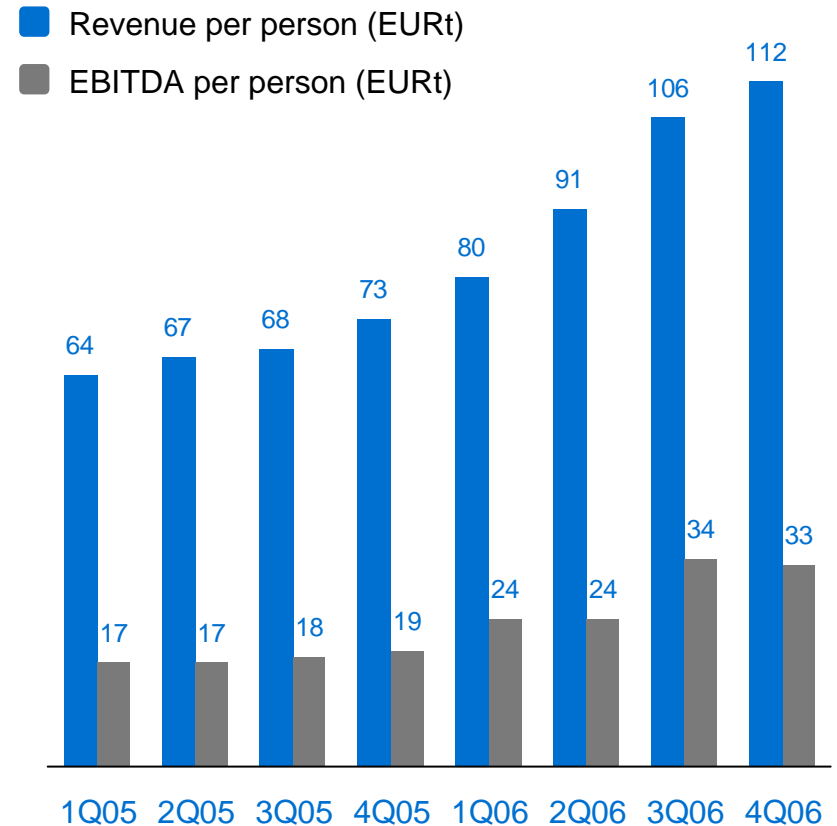
# ... and productivity improved...

## GROUP OVERVIEW – PERFORMANCE SINCE PREVIOUS INVESTOR DAY

### Personnel



### Revenue & EBITDA per person



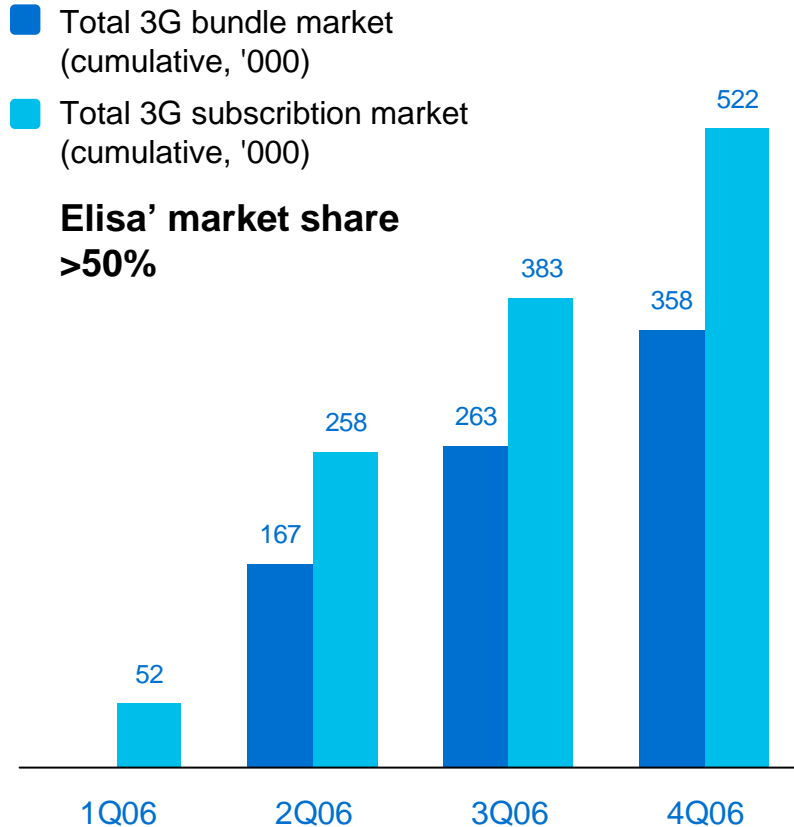
All numbers comparable (excl. EO items)



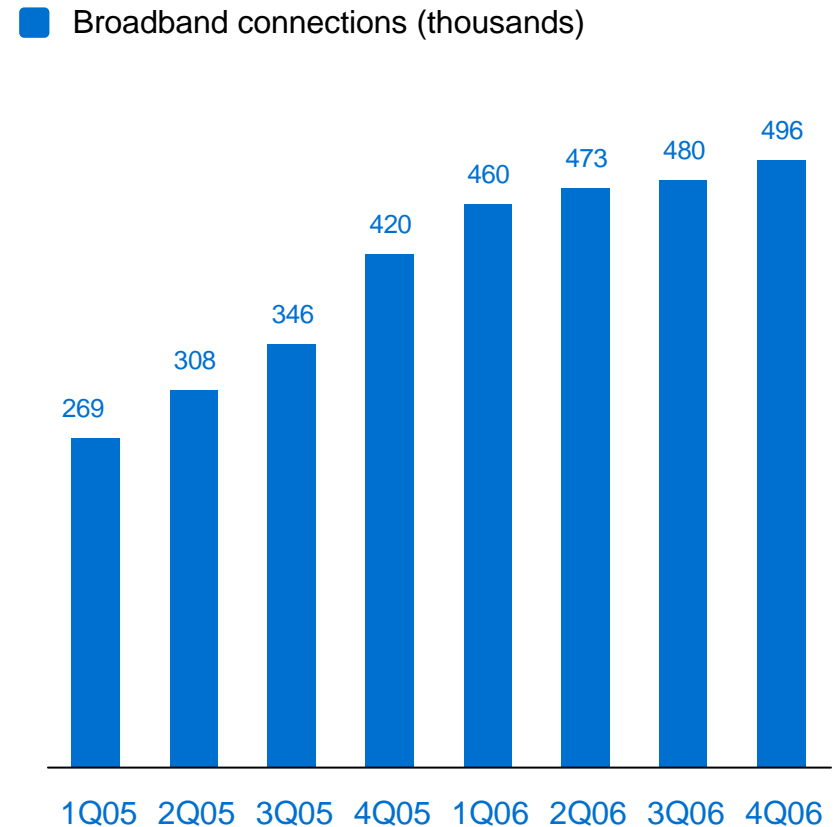
# ...enabling leadership in growth businesses

## GROUP OVERVIEW – PERFORMANCE SINCE PREVIOUS INVESTOR DAY

### 3G subscriptions & services



### Elisa broadband connections



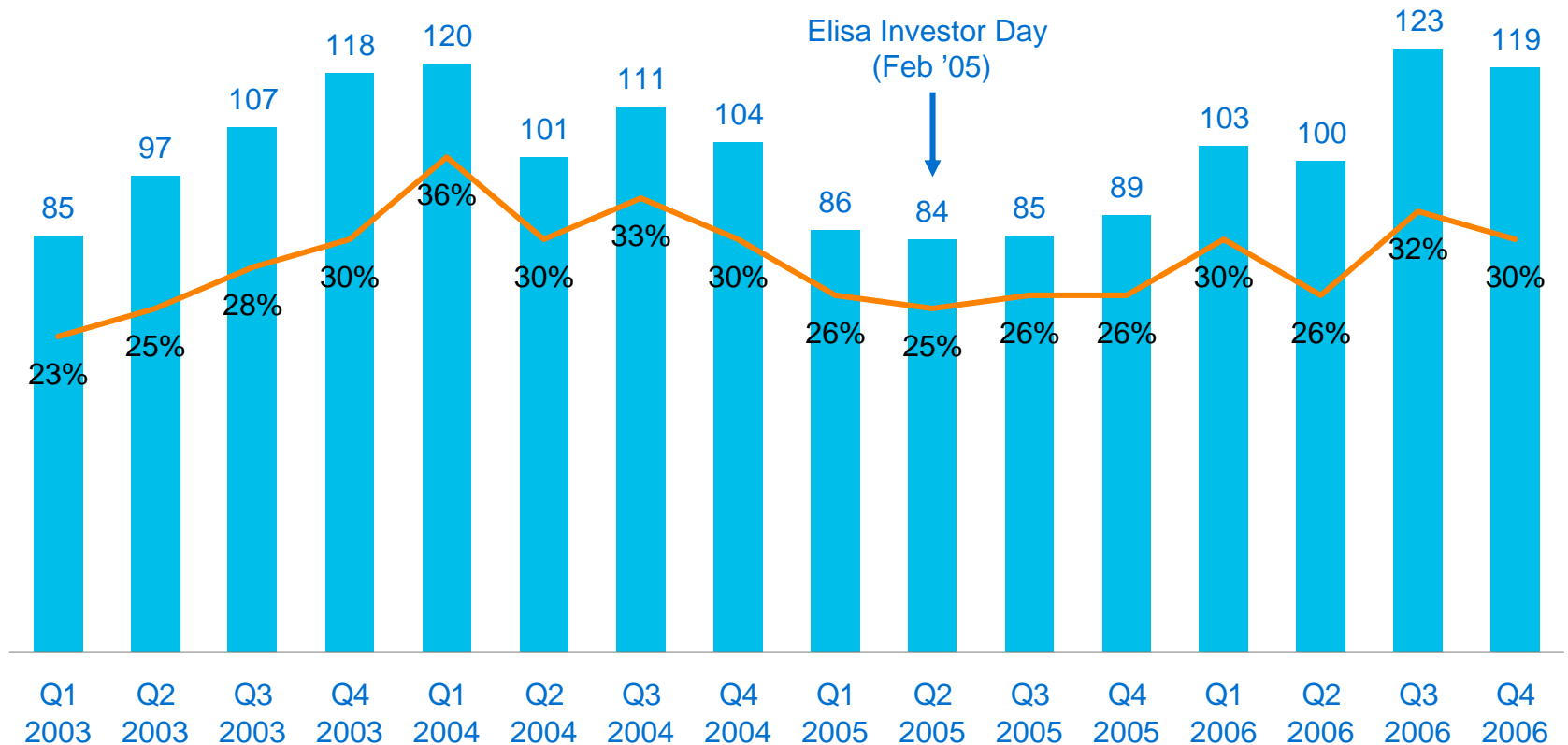
Source: Company reports, Elisa estimates



# Profitability improved after hypercompetition

## GROUP OVERVIEW – PERFORMANCE SINCE PREVIOUS INVESTOR DAY

■ EBITDA ■ EBITDA-margin



# Progress towards given targets well on track

## GROUP OVERVIEW – PERFORMANCE SINCE PREVIOUS INVESTOR DAY

Parameter	Target set in Feb 2005	Execution so far
Average revenue growth	Flat to slightly positive annually on comparable basis	<b>13.0% (2H06)</b>
EBITDA-margin	Clear improvement (i.e. from 31% in FY04)	<b>30.6% (2H06)</b>
CAPEX	Operative capex-to-sales 11-13%	<b>14.0% (2H06)</b>
Operative cash flow	Improvement from the current level (i.e. from EUR 259m in FY04)	<b>EUR 264m (2H06 annualized)</b>
Capital structure	Net debt / EBITDA: 1 - 2x	<b>0.78x (2H06)</b>
	Gearing: 50 - 80%	<b>28.6% (end-06)</b>
	Equity ratio: 40 - 50%	<b>63.4% (end-06)</b>
ROCE	Above 15%	<b>16.5% (2H06)</b>

\*) All figures on a comparable basis







## Elisa strategy

# Internet is driving new services...

## GROUP OVERVIEW – MARKET DYNAMICS



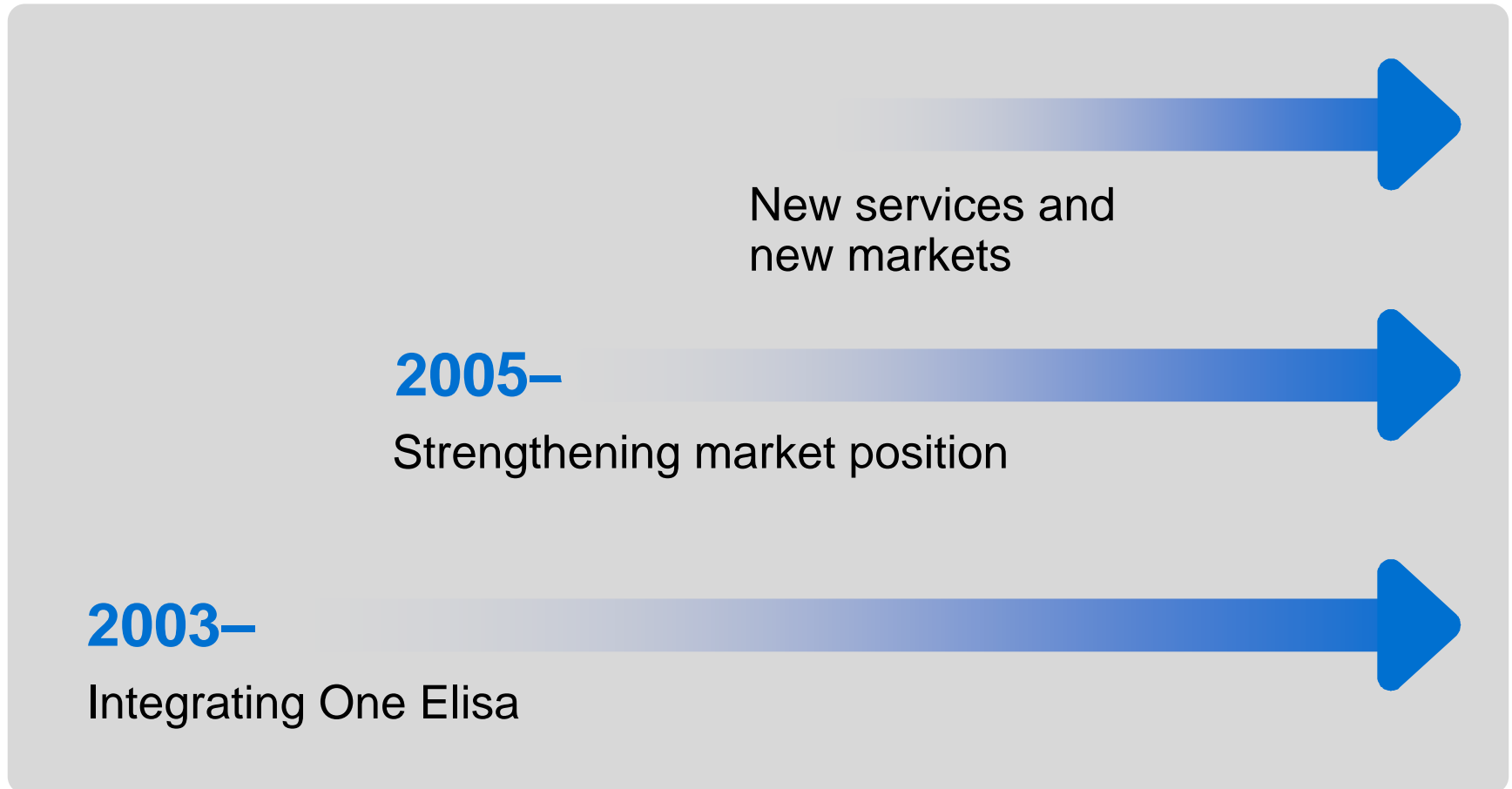
# ...and development in mobile is enriching users' life

## GROUP OVERVIEW – MARKET DYNAMICS



# Elisa strategy

## GROUP OVERVIEW – ELISA STRATEGY



# ...still significant further potential...

## GROUP OVERVIEW – ELISA STRATEGY: INTEGRATING ONE ELISA

Product and services streamlining

Processes

Outsourcing

Procurement

# ...e.g. within IT-systems

## GROUP OVERVIEW – ELISA STRATEGY: INTEGRATING ONE ELISA

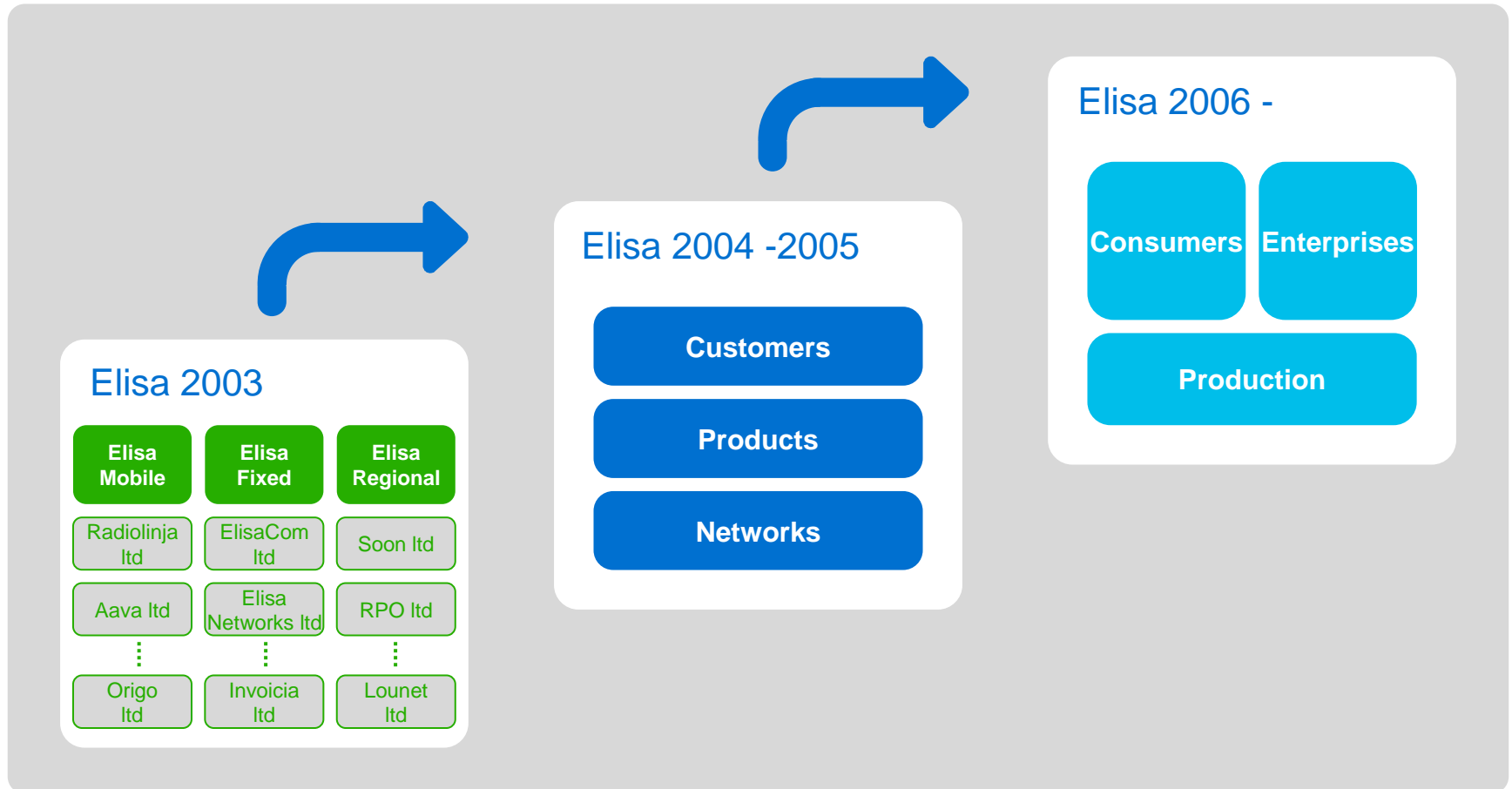
Present IT-systems include for example:

- Customer relationship management systems ~ 80 systems
- Business intelligence systems ~ 50 systems
- Ordering and self service systems ~ 50 systems
- Operations support systems ~ 40 systems
- HR and Administration ~ 40 systems



# Customer oriented business units platform for growth

GROUP OVERVIEW – ELISA STRATEGY: STRENGTHENING MARKET POSITION



# Opportunistic development of new services

## GROUP OVERVIEW – ELISA STRATEGY: NEW SERVICES AND NEW MARKETS

### Web 2.0 services

- User generated content
- Tagging and search
  - Long tail
- New Pricing

### Mobility

- Broadband
- Convenience
- Imaging and video
- Audio and music

### A “Flat world”

- Global value networks
- Compressed supply chains
- Services available 24/7
- International workflow

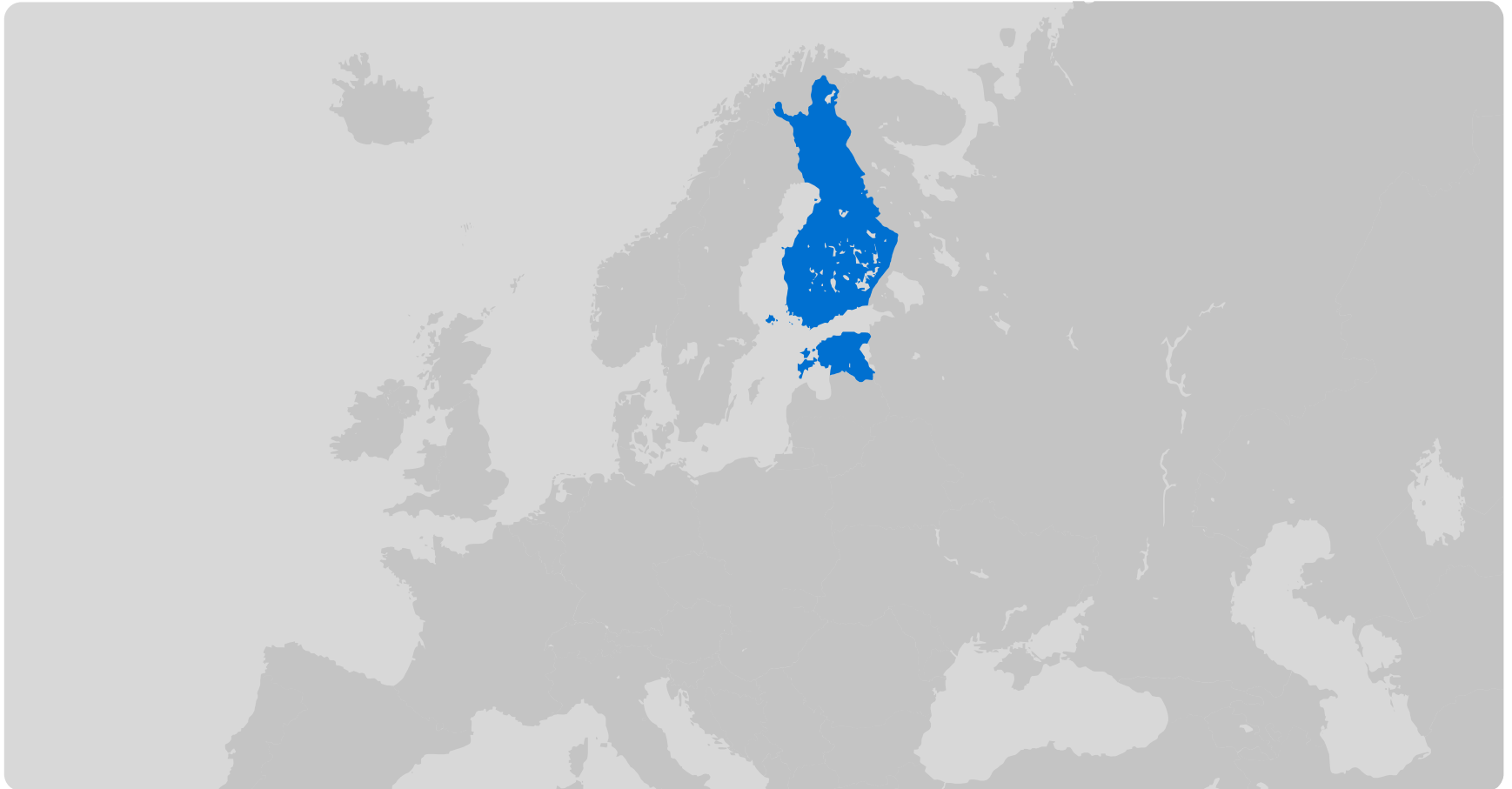
### Open source

- Users as an integrated part of service development
- Users as contributors
- Open source applications
- Customer self service



# Opportunistic search for new markets

GROUP OVERVIEW – ELISA STRATEGY: NEW SERVICES AND NEW MARKETS





## Updated financial targets – by end-2009

# Updated financial targets – by end-2009

## GROUP OVERVIEW

Parameter	Target*
Average revenue growth percentage yoy	Mid single digit
EBITDA-margin	Above 35%
Capex-to-sales (operative)	10 - 12%
Capital structure <ul style="list-style-type: none"><li>• Net debt / EBITDA</li><li>• Gearing</li></ul>	1.5 - 2x 50 - 100%
ROCE	Above 20%

\*) All figures on a comparable basis

# CEO priorities

## GROUP OVERVIEW

Further productivity improvements targeting

**world-class efficiency**

Further strengthening market position via

**service leadership**

Opportunistic development of

**new businesses and acquisitions**





Thank you and Q&A

# Forward looking statements

Statements made in this document relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Elisa.

